

Adopted	Rejected
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COMMITTEE REPORT

YES:	27
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1009, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 8, between lines 2 and 3, begin a new paragraph and insert:
- 2 "SECTION 3. IC 20-5-4-1.7, AS AMENDED BY P.L.10-2003,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2004]: Sec. 1.7. (a) For purposes of this section, "retirement
- 5 or severance liability" means the payments anticipated to be required to
- 6 be made to employees of a school corporation upon or after the
- 7 termination of their employment by the school corporation under an
- 8 existing or previous employment agreement.
- 9 (b) In addition to the purposes set forth in section 1 of this chapter,
- 10 a school corporation may issue bonds to implement solutions to
- 11 contractual retirement or severance liability. The issuance of bonds for
- 12 this purpose is subject to the following limitations:
- 13 (1) A school corporation may issue bonds for the purpose
- 14 described in this section only one (1) time.

(2) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's existing unfunded contractual liability for retirement or severance payments, as of June 30, 2001.

(3) The amount of the bonds that may be issued for the purpose described in this section may not exceed two percent (2%) of the true tax value of property in the school corporation.

(4) Each year that a debt service levy is needed under this section, the school corporation shall reduce its total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(5) A school corporation that issues bonds under this section shall establish a separate debt service fund for repayment of the bonds.

(c) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(d) Bonds issued under this section ~~must be~~ **are valid if either of the following apply:**

(1) The bonds are issued before December 31, 2004.

(2) The school corporation submits to the department of local government finance before January 1, 2005, a proposal concerning the issuance of bonds under this section to implement solutions for the school corporation's retirement or severance liability, and the school corporation issues the bonds before January 1, 2006.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20.

(f) Bonds issued under this section are not subject to the limitations contained in IC 36-1-15."

Page 10, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 6. IC 20-5-4-1.7 IS REPEALED [EFFECTIVE JULY 1, 2006].

SECTION 7. P.L.10-2003, SECTION 3, IS REPEALED [EFFECTIVE JULY 1, 2004].

SECTION 8. [EFFECTIVE JULY 1, 2004] **(a) After December 31,**

1 **2004, a school corporation may not issue bonds under**
2 **IC 20-5-4-1.7, as amended by this act, unless the school**
3 **corporation submits a proposal described in IC 20-5-4-1.7(d)(2), as**
4 **amended by this act, to the department of local government**
5 **finance before January 1, 2005.**

6 **(b) This SECTION expires January 1, 2007."**

7 Renumber all SECTIONS consecutively.

(Reference is to HB 1009 as introduced.)

and when so amended that said bill do pass.

Representative Crawford